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ERG Australia Ltd

Dear Sirs


Australian Stock Exchange Filing

Ergonomics, 2016; Vol. 59, No. 7, 813–824

I enclose the following document lodged with the Australian Stock Exchange today:

- Letter to *The Australian*.

Yours faithfully



Clare Barrett-Lennard
Company Secretary

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RE Letter to *The Australian*

19 JUL 2002

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Fax 02 9288 2384

Pages 2

18 July 2002

**ERG**

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Mr M Stutchbury
Editor
The Australian
GPO Box 4245
Sydney NSW 2001

Dear Sir

Article "ERG needs \$18m to save losing hand"

We refer to the article by Mark Westfield in *The Australian* dated 18 July 2002.

The article contains several false statements and the headline is misleading. We are concerned that the paper has printed yet another factually inaccurate article about the Company.

When your journalist contacted our Mr Duffy on 17 July, he asked if ERG was having similar problems in Sweden and Germany to the problems it had in Melbourne. Mr Duffy advised he was not aware of any problems in those countries. No mention was made of alleged insolvency of card.etc AG. Therefore we were not given the opportunity to comment on your most serious allegations.

The statements attributed to Mr Jensen are false. Mr Jensen has also denied making the comments attributed to him in the article. Card.etc has an important contract in the Rhein-Ruhr region which it is successfully delivering. The first smart cards were delivered on schedule approximately two weeks ago. The balance of the cards will be delivered over the next six months against sizeable receivables from the customer. The project is the largest of its kind to date in Germany.

To say that card.etc has “effectively closed down” is false. Furthermore, your headline is nonsensical. Even if card.etc required \$18 million (which is not correct) ERG only owns 19.9% of the company. The other major shareholders are VDV (Association of Public Transport) and DeTeCard (a Deutsche Telekom subsidiary).

The statement that “ERG has just settled a \$45 million damages claim by the Victorian Government over faults in the ... system” is also false. The statement incorrectly implies that ERG paid the Victorian Government the stated amount. On the contrary, the settlement related to claims for variations and increased scope by ERG’s subsidiary, OneLink Transit Systems Pty Ltd, against the Victorian Government and the Government has agreed to make payments to the ERG subsidiary.

The article fails to mention that the faults in the machines in Melbourne were caused mainly by vandalism. It also fails to mention recent comments by the Victorian Minister for Transport confirming a significant reduction in vandalism and that the Melbourne system is performing at very high levels.



The article also states that the New South Wales Government named a consortium headed by ERG as preferred tenderer to deliver a ticketing system to Sydney using the same technology as Melbourne. This statement is false. The system in Melbourne is paper-based magnetic ticket technology. Sydney already has that technology and proposes upgrading its system to smart card, similar to the highly successful systems ERG has installed in cities such as Hong Kong, San Francisco and Singapore.


You should seriously consider the damage such inaccurate and false articles cause before going to print.

Yours faithfully

Peter J Fogarty
Chief Executive

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